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KARNATAKA LEGISLATIVE ASSEMBLY

NOTIFICATION

No. 14544/L.A.-L. Dated 29th March 1975

The following Bill was introduced in the Legislative Assembly on 29th March, 1975.

TE. HANUMANTHAPPA,
Secretary.

THE KARNATAKA MOTOR VEHICLES TAXATION (AMENDMENT) BILL, 1975.

(L.A. Bill No. 13 of 75)

A Bill further to amend the Karnataka Motor Vehicles Taxation Act, 1957.

Whereas it is expedient further to amend the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) for the purposes hereinafter appearing ;

Be it enacted by the Karnataka State Legislature in the twenty-sixth Year of the Republic of India as follows :—

1. **Short title and commencement.**—(1) This Act may be called the Karnataka Motor Vehicles Taxation (Amendment) Act, 1975.

(2) It shall come into force on the first day of April, 1975.

2. **Insertion of new section 3A.**—After section 3 of the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) (hereinafter referred to as the principal Act), the following section shall be inserted, namely :—

"**3A. Levy of surcharge.**—(1) In addition to the tax levied under section 3 there shall be levied and paid a surcharge at the rate of ten percentum of such tax.

(2) The provisions of this Act and the rules made thereunder shall, so far as they may be, apply in relation

to the levy and payment of surcharge under sub-section (1), as they apply in relation to the levy and payment of tax under this Act.

(3) The amount of surcharge leviable and payable under sub-section (1) shall be rounded off to the nearest multiple of five paise and for this purpose any fraction of a paisa shall be ignored and thereafter if such amount contains a part of a rupee consisting of paise, then, if such part consisting of paise is not a multiple of five, then, if the last figure in that part is three or more, that part shall be increased to the next higher figure which is a multiple of five and if the last figure is less than three the part shall be reduced to the next lower figure which is a multiple of five and the amount so rounded off shall be deemed to be the amount of surcharge leviable and payable under sub-section (1)."

3. Insertion of new section 17A.—After section 17 of the principal Act, the following section shall be inserted namely :—

"**17A. Establishment of Roads and Bridges Fund.**– (1) There shall be constituted for the State of Karnataka a fund called the Karnataka Roads and Bridges Fund.

(2) The amount of the surcharge collected under section 7A shall notwithstanding anything contained in section 17, be first credited to the Consolidated Fund of the State and under Appropriation duly made by law in this behalf, be entered in and transferred to the Karnataka Roads and Bridges Fund.

(3) Any amount transferred to the said Fund under sub-section (2), shall be charged on the Consolidated Fund of the State.

(4) The amount at the credit of the said Fund shall not be expended except for the purpose of development and maintenance of roads and bridges in the State."

DECLARATION UNDER THE KARNATAKA PROVISIONAL COLLECTION OF TAXES ACT, 1974

It is hereby declared that it is expedient in the public interest that the provisions of clause 2 of this Bill shall have immediate effect under the Karnataka Provisional Collection of Taxes Act, 1974 (Karnataka Act 2 of 1974).

STATEMENT OF OBJECTS AND REASONS

In order to improve and develop roads and bridges in the Karnataka State it is proposed to raise funds by levy of surcharge on all Motor Vehicles kept for use in the State.

Hence the Bill.

M. MOHAMED ALI.
Te. Hanumanthappa,
Secretary.

ANNEXURE

Extract from the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act No. 35 of 1957)

* * *

3. Levy of tax:—(1) A tax at the rates specified in Part A of the Schedule shall be levied on all motor vehicles suitable for use on roads, kept in the State of Karnataka :

Provided that in the case of motor vehicles kept by a dealer in or manufacturer of, such vehicles for the purposes of trade, the tax shall only be levied and paid by such dealer or manufacturer on vehicles permitted to be used on roads in the manner prescribed by rules made under the Motor Vehicles Act, 1939.

Explanation.—A motor vehicle of which the certificate of registration is current shall, for the purposes of this Act, be deemed to be a vehicle suitable for use on roads.

(2) Notwithstanding anything contained in sub-section (1), taxes at the rates specified in Part B of the Schedule shall levied on motor vehicles belonging to or in the possession or control of persons, not ordinarily residing in the State of Karnataka and kept in the State of Karnataka by such persons for periods shorter than a quarter, but not exceeding thirty days.

(3) In the case of motor vehicles in respect of which any reciprocal arrangement relating to taxation has been entered into between the Government of Karnataka and any other State Government, the levy of tax shall, notwithstanding anything contained in this Act, be in accordance with the terms and conditions of such reciprocal arrangement :

Provided that the tax leviable under any such arrangement shall not exceed the tax leviable under the Schedule :

Provided further that the terms and conditions of every such reciprocal arrangement shall be published in the Official Gazette, and a copy thereof shall be laid before the State Legislative Assembly.

* * *

17. **Crediting of the proceeds of taxes.**—All taxes collected under this Act shall be credited to such Head in the State Accounts as the State Government may by order specify.

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